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SUBJECT: FINNISH MINISTER KEEN TO EXPAND BIOGAS USAGE

REF: HELSINKI 00131, HELSINKI 00173

11. (SBU) Summary: Finland's Minister of Trade and Industry recently returned from a two-day fact finding mission in Germany to examine German use of biogas and other renewable energy resources. This trip may signal an increased emphasis by Pekkarinen -- a strong advocate of renewable energy -- in developing domestic biogas resources. A supporter of international efforts to increase the use of renewable energy sources, particularly in Central America, Finland may prove to be a strong partner in the Methane to Markets Partnership in the future. End Summary.

#### Minister Explores Biogas Use in Germany

12. (U) Finnish Trade and Industry Minister Mauri Pekkarinen (Center Party) recently returned from a two-day visit to Germany where he studied German efforts to develop new renewable energy resources, particularly utilizing biogas. During the visit, Pekkarinen toured a new biogas facility in Pliening, Germany that produces biogas (a mixture of gases including methane, CH<sub>4</sub>, and carbon dioxide, CO<sub>2</sub>) from agricultural crops that is fed directly into the existing natural gas network. Pekkarinen also met with Werner Schnappauf, Bavarian Minister of State for People and the Environment, as well as officials from German energy giant E.ON. Building upon the GOF's plan to develop additional alternative sources of energy, Pekkarinen also visited geothermal and solar power facilities in Germany.

#### A Case for Biogas in Finland

13. (SBU) Prime Minister Matti Vanhanen has consolidated control of energy/climate change issues under the leadership of his Center Party. The current GOF plan sets high expectations for addressing climate change and building clean energy capacity, with biofuels playing a leading role in this strategy. The GOF plan also states that technology is essential in addressing energy and environmental challenges in the future. A strong advocate of biofuels and biomass sources, Pekkarinen has vocally stated that energy generation must come from diverse sources beyond simply fossil fuels and nuclear power.

14. (U) Though a small player in methane recovery due to its overall size, Finland has been utilizing methane from landfills for power generation for nearly a decade. Methane is gathered from almost forty landfills in Finland including the largest landfill in the Nordic countries, Ammassuo. Further reflecting E.ON's great interest in methane as a source of power, E.ON's district heating plant in Espoo (Finland's third largest city) uses the methane from the Ammassuo landfill to provide equivalent heating for over 10,000 detached homes. Finland also reclaims methane from wastewater and solid waste treatment plants, industrial sites, and farms. To further signal his personal interest in expanding methane use, Pekkarinen was joined on his fact finding trip to Germany by Erkki

Kalmari, owner of a small farm that produces methane for automobiles in Pekkarinen's home town of Jyvaskyla. Kalmari has created some localized interest in Finland's biofuels market, and Pekkarinen -- who proudly drives a methane-powered car -- frequently stops at his farm to fuel up.

#### International Support of Renewable Energy Projects

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¶5. (U) Since 2002, the GOF has sponsored a unique project in Central America that encourages the development of renewable and clean energy sources in the region. The Energy and Environment Partnership with Central America (EEP), a 7 million euro program, has already supported over 100 promising renewable energy projects in Central America that would otherwise lack necessary funding. Modeled after the U.S. private-public partnership concepts, many of the renewable energy projects have focused on energy from biogas. In fact, the last EEP Forum in February 2007 dealt specifically with securing funding for biogas projects in the region.

¶6. (SBU) Comment. First raised during the U.S.-EU High Level Dialogue on Climate Change, Clean Energy and Sustainable Development in Helsinki last October, the Methane to Markets Partnership (M2M) continues to be a strong talking point for Ambassador Ware and the Economic Section when visiting with GOF officials including Pekkarinen. While showing polite interest, GOF officials have yet to proactively inquire further about M2M; however, Pekkarinen's recent trip may represent a renewed interest in methane use in Finland, holding the door open for the GOF joining M2M in the future. An engaged partner in many international organizations, membership in M2M would be a natural fit for Finland, especially considering its existing international commitment to finance projects utilizing biogas in Central America. End comment.